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September 17, 2013

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: **Lifeline Reform 2.0 Coalition Notice of *Ex Parte* Presentation; WC Docket Nos. 11-42, 03-109 and CC Docket No. 96-45**

Dear Ms. Dortch:

On September 13, 2013, Brian Lisle of Telrite Corporation, Paul McAleese and Jeni Kues of i-wireless LLC, Kim Lehrman of Boomerang Wireless, LLC, Bill Moran of Global Connection Inc. of America, Chuck Campbell of CGM, LLC and John Heitmann and Joshua Guyan of Kelley Drye & Warren LLC met with Kim Scardino, Jonathan Lechter and Michelle Schaefer of the Wireline Competition Bureau to discuss reform of the Lifeline program. The eligible telecommunications carriers ("ETCs") represented are all members of the Lifeline Reform 2.0 Coalition ("Coalition"),[1] which filed in June a petition for rulemaking proposing further reforms to the Lifeline program.[2]

At the meeting, representatives of the Coalition discussed their efforts at reaching consensus with both Lifeline providers and consumer groups to modify and improve the proposed reforms, which are reflected in the reply comments filed by the Coalition on August

1 The Coalition members are Blue Jay Wireless, LLC; Boomerang Wireless, LLC; Global Connection Inc. of America; i-wireless LLC and Telrite Corporation.

2 *See* Lifeline Reform 2.0 Coalition's Petition for Rulemaking To Further Reform The Lifeline Program, WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45 (filed June 28, 2013).

29, 2013.[3] A summary of the revised proposed reforms was provided and is included as an exhibit to this letter.

Coalition representatives also discussed the fact that many of the proposed reforms have already been incorporated into their enrollment processes, such as the identity verification. On this point, Coalition members emphasized the importance of having flexibility to ensure that eligible consumers were not turned away because of rigid reliance on any one means of verifying identity. For example, a database dip, such as that offered by Lexis-Nexus, could serve as the primary means of verifying identity, but an "exceptions" process is necessary because significant numbers of eligible low-income consumers have no credit history and thus a credit-based tool such as Lexis-Nexis will not be able to confirm their identity. A photo identification could serve to verify identity as part of such an exceptions process. While Coalition members' experience is that almost all of their Lifeline applicants are able to provide photo identification for that purpose, our work with consumer groups underscores the importance of allowing other reasonable means, such as a copies of utility bills, to verify identity.[4]

Our discussion also highlighted some measures that could be taken to address privacy-related concerns generated by the retention of proof proposal. These include encryption, use of a third party administrator for retention, and limited retention periods.

In addition, we discussed gaining access to and using state duplicates and eligibility databases and described difficulties the members have had, for example, with the Texas databases. The Coalition members offered to continue to work with the Bureau and the states to improve state databases where necessary.

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3 *See* Reply Comments of the Lifeline Reform 2.0 Coalition, WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45 (filed Aug. 29, 2013).

4 The Coalition's revised proposal would require identity verification, which could include a photo identification, but also includes other methods.

This letter is being filed electronically for inclusion in the public record of the above-referenced proceeding. Please feel free to contact the undersigned with any questions.

Respectfully submitted,

John J. Heitmann
Joshua T. Guyan

Counsel to the Lifeline Reform 2.0 Coalition

cc: Kim Scardino, WCB
Jonathan Lechter, WCB
Michelle Schaefer, WCB

EXHIBIT

Lifeline Reform 2.0

The Federal Communications Commission's 2012 reforms to the Lifeline program have effectively reduced waste, fraud and abuse while producing significant cost savings. In June, the Commission adopted additional reforms necessary to preserve the program. And yet, there is still more that can be done. To that end, the Lifeline Coalition proposed a comprehensive package of reforms, dubbed "Lifeline Reform 2.0," and following comments submitted to the Commission, the following proposals have garnered widespread support, especially among wireless Lifeline service providers.

The Coalition proposes **three core measures** that serve as the centerpiece of its reform package, including:

1. **Verifying consumer identity at the time of enrollment;**
2. **Retaining copies of proof of eligibility documentation; and**
3. **Requiring non-commission based review and approval of enrollments prior to activation**

The Coalition's core reforms are part of a broader package of important rule modifications that the FCC should adopt and implement to reduce (real or perceived) waste, fraud and abuse in the Lifeline program. After consultation with other parties and reviewing the comments filed on the Petition, the **comprehensive package of reforms** includes the following proposed requirements:

1. **Changes to the enrollment process**
   (a) verify identity through database dip, review of photo identification or other reasonable means
   (b) retention of copies of proof
   (c) non-commission-based review and approval of all enrollments
   (d) greater ETC control over mobile and retail in-person enrollment locations (location tracking and sign-in, photo audits, post-enrollment audits)

2. **Mandatory access to live customer service representatives that can resolve subscriber concerns regarding enrollment, eligibility and service**

3. **De-enrollment upon request without requiring documentation**

4. **Comprehensive biennial compliance audits for all ETCs (not just new ones and big ones)**

The Coalition's Lifeline Reform 2.0 reform package will complement the FCC's important and effective 2012 and 2013 reform efforts by eliminating the ability of individuals to exploit gaps that presently exist among ETCs subject to varying regulatory obligations or whose business practices may not reflect current best practices to reduce waste, fraud and abuse.

August 29, 2013
Version 2